



STATE OF TENNESSEE  
**TENNESSEE STUDENT ASSISTANCE CORPORATION**  
SUITE 1510, PARKWAY TOWERS  
404 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-0820  
(615)741-1346 • 1-800-342-1663 • FAX (615)741-6101  
[www.TN.gov/collegepays](http://www.TN.gov/collegepays)

December 11, 2014

**MEMORANDUM**

TO: State Funding Board

FROM: Tim Phelps, Tennessee Student Assistance Corporation

SUBJECT: Tennessee Education Lottery Scholarship Program Projections

Pursuant to T.C.A 4-51-111(c)(2)(A)(ii), the Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated with the University of Tennessee Center for Business and Economic Research (CBER) to project expenditures in lottery scholarship and grant programs through the 2019-20 academic year.

The figures below incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, STEP UP Scholarship, and the Math & Science Teacher Loan Forgiveness Program.

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2013-14 actual	N/A	\$304.0M	N/A	103,300
2014-15 estimated	\$306.1M	\$311.6M	\$317.0M	107,200
2015-16 estimated	\$316.1M	\$321.0M	\$340.0M	110,400
2016-17 estimated	\$325.1M	\$330.4M	\$353.3M	113,700
2017-18 estimated	\$334.6M	\$339.5M	\$362.9M	116,800
2018-19 estimated	\$338.7M	\$343.5M	\$367.6M	118,200
2019-20 estimated	\$342.1M	\$347.6M	\$372.4M	119,600

*\*Does not include supplemental funding of \$6.8M for TSAA and administrative costs of \$3.8M.*

These projections are based on the size of the annual high school graduating class, the scholarship take-up rate of eligible students, and the renewal rate of recipients.

Some structural changes to TELS programs will affect estimates moving forward. Beginning in the 2015-16 academic year, the HOPE Scholarship award amounts for entering freshmen will change and the Wilder-Naifeh Reconnect program will begin. TSAC and THEC will consider the award amount changes and the commencement of a new program in building our estimates for 2015-16 and beyond.

Please let us know if you have questions or need anything further.